



**STATE OF TENNESSEE
COMPTROLLER OF THE TREASURY
DEPARTMENT OF AUDIT
DIVISION OF MUNICIPAL AUDIT**

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Division of Municipal Audit

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NOTE: Municipal Audit phone numbers and address changed 3-24-08. See Contact Us on the main web page for current information.

MEMORANDUM

To: All Independent CPAs Auditing School Activity Funds

From: Dennis F. Dycus, CPA, CFE, Director
Division of Municipal Audit

Subject: Change in Opinion for School Activity Funds

To comply with current guidelines, we have modified the opinion that is required to be issued for audits of School Activity Funds. Because the financial statements do not comply with GAAP and the standards do not permit the omission of or significant alteration of required financial statements as a result of regulatory requirements, the attached example opinions will be used to address this issue. These guidelines are effective for audits of periods ending on or after June 30, 2007. Earlier implementation is encouraged.

For additional information regarding the applicable standards, please refer to the AICPA Audit and Accounting Guide: *State and Local Governments*, Section 15.08, May 1, 2006 Edition.